

**Tenneco Inc. and Consolidated Subsidiaries**  
**Statements of Cash Flows**  
**(Unaudited)**  
(Millions)

	<b>Six Months Ended</b>	
	<b>June 30,</b>	
	<b>2013</b>	<b>2012</b>
Operating activities:		
Net income	\$ 135	\$ 131
Adjustments to reconcile net income to net cash provided by operating activities -		
Depreciation and amortization of other intangibles	100	99
Stock-based compensation	7	7
Deferred income taxes	16	(7)
Loss on sale of assets	2	2
Changes in components of working capital-		
(Inc.)/dec. in receivables	(253)	(212)
(Inc.)/dec. in inventories	(18)	(83)
(Inc.)/dec. in prepayments and other current assets	(81)	(39)
Inc./dec. in payables	149	86
Inc./dec. in accrued taxes	(13)	18
Inc./dec. in accrued interest	-	(4)
Inc./dec. in other current liabilities	7	15
Changes in long-term assets	3	9
Changes in long-term liabilities	(20)	(22)
Other	7	1
Net cash provided by operating activities	<u>41</u>	<u>1</u>
Investing activities:		
Proceeds from sale of assets	2	1
Cash payments for plant, property & equipment	(124)	(125)
Cash payments for software-related intangible assets	(12)	(7)
Change in restricted cash	(5)	-
Net cash used by investing activities	<u>(139)</u>	<u>(131)</u>
Financing activities:		
Issuance of common shares	13	-
Purchase of common stock under the share repurchase program	(2)	(18)
Issuance of long-term debt	-	250
Debt issuance costs on long-term debt	-	(13)
Retirement of long-term debt	(8)	(403)
Net inc./dec. in bank overdrafts	35	-
Net inc./dec. in revolver borrowings and short-term debt excluding current maturities on long-term debt and short-term borrowings secured by accounts receivable	107	236
Net inc./dec. in short-term debt secured by accounts receivable	-	60
Capital contribution from noncontrolling interest partner	-	1
Distribution to noncontrolling interest partners	(23)	(18)
Net cash provided by financing activities	<u>122</u>	<u>95</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(12)</u>	<u>2</u>
Increase (Decrease) in cash and cash equivalents	12	(33)
Cash and cash equivalents, January 1	223	214
Cash and cash equivalents, June 30	<u>\$ 235</u>	<u>\$ 181</u>
Supplemental Cash Flow Information		
Cash paid during the period for interest (net of interest capitalized)	\$ 39	\$ 59
Cash paid during the period for income taxes (net of refunds)	71	36
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 24	\$ 30